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Reports relating to programme and administrative oversight and evaluation

Report on activities of the Inspector General's Office

Report of the High Commissioner

Summary

This report, covering the period from July 2013 through June 2014, is provided pursuant to the decision of the Executive Committee of the High Commissioner's Programme to consider reports relating to programme and administrative oversight and evaluation during its annual plenary session (A/AC.96/1003, para. 25. 1. (f) (vi)). The Executive Committee has further requested that "summary reports covering inquiries and the main categories of investigations, the number of such types of investigation, the average time taken to complete investigations and a description of related disciplinary action" regularly be made available to it (A/AC.96/1021, para. 24 (e)).

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I. Introduction

1. The Inspector General's Office (IGO) has three core functions: inspections of the quality of management of UNHCR operations; investigations of allegations of misconduct by all entities with contractual links to UNHCR; and *ad hoc* inquiries into violent attacks on UNHCR personnel and operations, as well as into other incidents causing major loss or damage to UNHCR's integrity, credibility or assets. This report outlines developments and activities undertaken by the IGO from July 2013 through June 2014.

II. Strengthening oversight in UNHCR

A. In-housing of the internal audit function

2. The Inspector General provided an oral update on the activities and functions of his office during the 59th meeting of the Standing Committee in March 2014 and provided a further informal briefing as requested. As reflected in the report of the meeting (A/AC.96/1133), delegations expressed their support for the creation of a consolidated internal oversight office within UNHCR. Legal concerns have so far hindered the implementation of this objective, and UNHCR's Legal Affairs Service, in coordination with the IGO, is analyzing the different courses of action open to the High Commissioner.

3. Concurrently, and pending a resolution of these legal concerns, the IGO has focused on strengthening the Inspection Service in order to pave the way for the eventual in-housing of internal audit and for an integrated inspection-internal audit function. Initiatives already undertaken are summarized in chapter III of this report. Additional initiatives foreseen include: (i) a review of inspection methodology to incorporate relevant aspects of internally-agreed audit standards and methodology; (ii) the development of a disclosure policy concerning inspection and other inspection-related reports in order to enhance transparency; (iii) the conduct of both *ad hoc* and standard inspections, some of which will include a pre-audit component, according to an inspection plan based on a risk-assessment; (iv) the establishment of an integrated on-line compliance mechanism; and (v) the development of a framework for cooperation with World Food Programme's (WFP) Office of the Inspector General, which will include capacity development and joint initiatives.

B. Resources allocated to the IGO

4. During the reporting period, the Inspection Service continued to experience staffing gaps, with three of six professional positions vacant as of 1 January 2014, including that of the Head of Service. In an effort to prepare for the eventual in-housing of the internal audit function, one of these positions has been re-profiled as an audit position and is expected to be filled in the third quarter of 2014. The two other vacant positions have been temporarily filled by staff in between assignments (SIBAs). Similarly, the Investigation Service has continued to rely heavily on the services of SIBAs and consultants to complement its staffing level.

5. For 2015, six of the twelve positions requested by the IGO have been approved for creation. Two of these positions, a Senior Investigation Officer (Intake Assessment) and a Senior Strategic and Operational Intelligence Analyst, will reinforce the Investigation Service's capacity at Headquarters. The remaining four positions will constitute the IGO's Oversight Unit in Nairobi, which is expected to be functional in early 2015. Nairobi will be

the IGO's second location for out-posting, following the creation of a Senior Investigation Specialist position in Bangkok, effective January 2014.

6. The creation of these six positions responds partially to concerns raised by Executive Committee Members, the Independent Audit and Oversight Committee (IAOC) and the European Anti-Fraud Office (OLAF), in its independent review of UNHCR's investigative function,[1] as to the need to reinforce resources allocated to oversight functions within UNHCR. Citing the UN Joint Inspection Unit's benchmark of one senior investigator per 700 staff, OLAF concluded that 10 to 15 senior investigation officers would be appropriate for the service. Thus, the increased resources allocated to the IGO for 2015 are disproportionate to the exponential growth of UNHCR's overall budget and remain woefully low to meet current demands.

C. Management tools

7. Management Implication Reports (MIRs) are issued by the Inspector General to the attention of senior managers in order to highlight systemic weaknesses/flaws or policy gaps that have been revealed in the course of investigations, and which may have led to, or exacerbated, the alleged abuse. MIRs generally contain recommendations to address the concerns raised and include a deadline for compliance. Eighteen MIRs were issued during the reporting period, addressing a variety of subjects including refugee status determination and resettlement processes, fleet and fuel management, procurement procedures, MSRP transactions, warehouse management, and staff security. The compliance rate and feedback from the concerned managers regarding the recommendations of the MIRs has been consistently high, averaging 97 per cent over the reporting period.

8. In March 2014, the IGO presented to the High Commissioner a paper entitled, *Recurrent Findings from Inspection and Management Implication Reports (2010-2012)*. Key findings from more than 40 inspection reports and management implication reports, issued during the three year period, are summarized in this report. It has been shared with all bureau and division directors, eliciting an overall positive response. The most important findings were also discussed with the Internal Compliance and Accountability Committee (ICAC) in March 2014, for follow-up with key actors. Two other papers issued by the Inspection Service during the reporting period addressed recurrent findings in emergencies and recurrent findings in the areas of procurement and logistics.

III. Inspections

A. Inspection missions and reports

9. Since its last report, the IGO has conducted four standard inspections of UNHCR operations in Egypt, Italy and Pakistan and the Regional Support Hub in Kenya, using multi-functional inspection teams. During the same period, the cycles for five inspections conducted in 2011 and 2012 were closed. The closure memoranda followed the review of periodic reports of the implementation of inspection recommendations. As of 30 June 2014, the rate of compliance with the recommendations stands at 84 per cent.

[1] *See* paragraph 16.

B. Inspection methodology

10. During the course of the last quarter of 2013, the IGO revised several sections of the Inspection Handbook, with special focus on questionnaires for field offices scheduled to be inspected. This revision was carried out in close consultation with other support divisions, and the questionnaires were streamlined, simplified and adjusted to include more relevant and targeted questions. Furthermore, the IGO reviewed its methodology for providing feedback on compliance reports. Finally, in early 2014, the IGO piloted a revised inspection report format in table form that summarizes, in a reader-friendly manner, findings and recommendations, and allows the inspected office to summarize progress made since the end of the inspection and prior to the issuance of a report.

C. Collaboration with the United Nations Joint Inspection Unit

11. The IGO continued to manage UNHCR's compliance and reporting obligations to the UN Joint Inspection Unit (JIU) by coordinating the provision of inputs from various divisions for all JIU reviews. This included commenting on a variety of documents and follow-up on recommendations. The IGO also facilitated meetings in Geneva and in country offices in Ethiopia, the Democratic Republic of the Congo, India and Thailand for JIU inspectors, UNHCR staff and its affiliate workforce. Three additional IGO staff members were trained by the JIU on its online compliance tracking system in September 2013, following which a comprehensive annual reporting exercise on recommendations issued in JIU reports from 2006 to 2013 was undertaken. The exercise significantly improved UNHCR's acceptance rate, which increased from 23.7 per cent in 2010 to 76.5 per cent in 2013, with only 6.5 per cent of recommendations from 2004-2012 still pending. Implementation rates have also increased, with 98.2 per cent of the accepted recommendations either implemented or in progress. As confirmed in the JIU 2013 annual report, UNHCR is now among the eight largest participating organizations with an acceptance rate of "above average".

D. Inspection e-learning programme

12. Launched in June 2013, the basic inspection e-learning course is an in-house educational tool open to UNHCR staff members at all levels. The main objective of the course is to explain the inspection function and how it contributes to improving the management of UNHCR operations. To date, some 248 staff members have registered, and 90 have successfully completed the course. The IGO will continue to encourage staff to undertake the e-learning to familiarize themselves with the inspection function, its methodology and purpose.

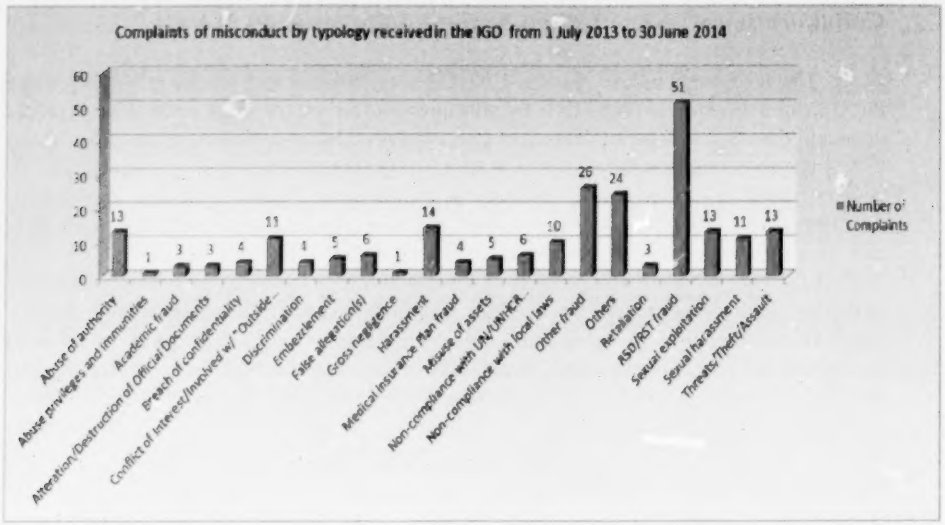
E. Collaboration with the World Food Programme

13. Following cooperation during parallel *ad hoc* inspection missions to Mauritania last year, the partnership between WFP's Office of the Inspector General (OIG) and the IGO continues with regular consultations on issues of common interest now held via teleconference or visits to respective headquarters. During the second half of 2014, the two offices plan to carry out a desk review of compliance in Mauritania (as part of the closure of the inspection cycle) and a joint *ad hoc* inspection of the management of the biometric registration in northern Kenya. WFP has also volunteered to build the capacity of the IGO in the areas of inspection and internal audit through a staff exchange similar to the one it has with specialized agencies.

IV. Investigations

A. Caseload and reporting

14. During the reporting period, the IGO registered 1,529 complaints, representing an increase of 27 per cent as compared to the previous reporting period. Of the total number of complaints received, 1,171 related to protection and assistance concerns, while 231 (15 per cent) involved allegations of misconduct. The remaining 127 complaints raised matters not within the remit of the IGO. The breakdown of typology of the 231 complaints of misconduct is set out in the table below.[2]



15. During the reporting period, 71 investigation cases were opened and 80 cases were closed. Thirty-eight of these cases resulted in the referral of an investigation report to the Division of Human Resources Management for further action, including possible disciplinary measures.

B. Independent peer review of UNHCR's investigative function

16. Following a recommendation by the Board of Auditors, an independent peer review of UNHCR's investigation function was carried out by the European Anti-Fraud Office (OLAF) in December 2013. In its final report, submitted to the High Commissioner in April 2014, OLAF notably recommended: (i) increasing the capacity of the Investigation Service; (ii) out-posting some positions for increased proximity to field operations; (iii) the professionalization of the investigative function; (iv) an increased focus on proactive investigations and "external" investigations relating to implementing partners; (v) the

[2] The category "other fraud" includes complaints relating to, *inter alia*, procurement fraud. The category "others" relates to complaints that fall into areas not captured by the other categories, for example, allegations relating to attitudes of staff or allegations dealing with external interlocutors.

establishment of increased legal/quality checks; and (vi) increased awareness and reporting activities. The IGO has initiated implementation of these recommendations and is maintaining a matrix to monitor the same.

C. UNHCR/NGO coordination on investigations

17. Two regional investigation workshops, one in Islamabad for selected NGOs from Pakistan and Afghanistan, and one in Nairobi for selected NGOs from countries in East Africa, were organized by the Investigation Service during the reporting period. These workshops were the first in a series aimed at building the capacity of partners and preventing and addressing fraud. Two workshops are scheduled to take place before the end of the year for NGOs in Central Africa and in the Syria situation.

18. The most recent UNHCR/NGO investigation initiative is the establishment of a UNHCR - Danish Refugee Council investigation roster. This roster will be composed of professional and experienced investigation consultants who are available to carry out investigations for UNHCR and those NGO partners that lack their own investigative capacity. This initiative is in line with the objectives of the UNHCR/NGO workshops, notably to achieve strengthened accountability and quality of performance on the part of UNHCR's NGO partners.

D. Capacity building

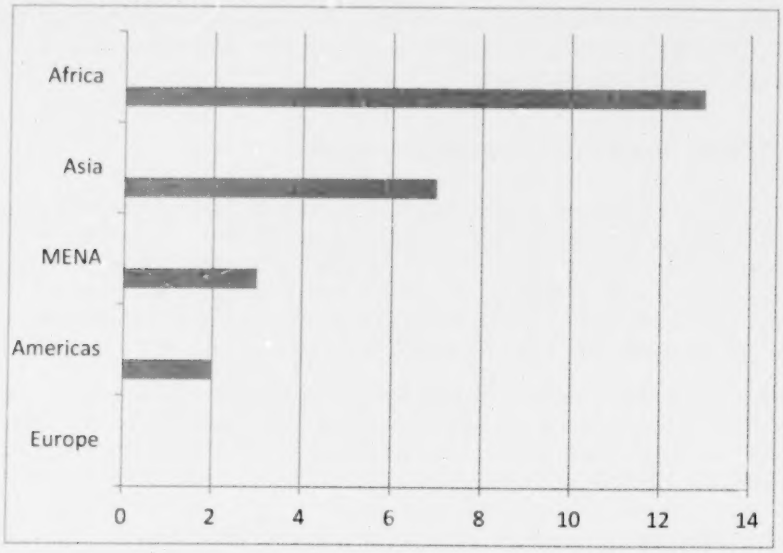
19. An advanced investigation learning programme was organized by the Investigation Service in Geneva in December 2013. It was attended by the IGO's Senior Investigation Officers and Senior Investigation Specialists and by senior colleagues from Headquarters and field offices who can be called upon to assist with investigations.

20. The Head of the Investigation Service attended the following trainings and workshops: Mediator Accreditation Training organized by the Global Learning Centre in Budapest; Facilitation Training for Resource Persons (UNHCR Partners) and Network Organizations Workshop in Rome; and the 14th Conference of International Investigators meeting in Tunis. Issues discussed at the latter included the principles governing peer reviews, comparative analyses and retaliation cases.

21. A Senior Investigation Specialist attended the meeting of Internal Investigators of International Organizations in Brussels in April 2014. This meeting was divided into four thematic workshops, as follows: (i) case selection, risk analysis and whistleblowing; (ii) collection of evidence, investigative tools and forensic activities; (iii) case closure, follow-up, monitoring, disciplinary and judicial proceedings; and (iv) the safeguarding of fundamental rights, data protection and legality checking during investigations. Finally, a Senior Investigation Specialist served as resource person for a resettlement fraud workshop in Budapest.

E. Missions

22. During the reporting period, twenty-five investigation missions were undertaken. Cases that were investigated on mission included: serious allegations of sexual exploitation and abuse; financial fraud; refugee status determination and resettlement fraud; and abuse of authority. The geographical breakdown, by regional bureau, of the twenty-five missions is set out in the chart below.



V. *Ad hoc* inquiries

23. No *ad hoc* inquiries were undertaken during the reporting period.